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HOPE Quarterly Meeting

March 27, 2014

Maryland Mortgage Program Update



New MMP Logo!



New MMP Website!

mmp.maryland.gov

Website contains information on programs, rates, initiatives, approved lenders, and more.





DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MARYLAND MORTGAGE PROGRAM

[INTEREST RATES](#)[DOWN PAYMENT ASSISTANCE](#)[FIND A LENDER](#)[HOMEBUYER EDUCATION](#)

The Maryland Mortgage Program



Is the Maryland Mortgage Program Right for Me?

Find out if the Maryland Mortgage Program can help you become a homeowner



Down Payment and Closing Cost Assistance

Learn how you may qualify for thousands of dollars in financial assistance to help with down payment and closing costs



Homebuyer Education

Sign up for a class that will help you navigate the mortgage market and get the best home loan



Property Information

Get information on homes and locations where you can use the Maryland Mortgage Program



Helpful Information

- > [MMP Home](#)
- > [Today's Interest Rates](#)
- > [Down Payment Assistance](#)
- > [Eligibility Requirements](#)
- > [Find a Lender](#)
- > [Real Estate Agents](#)
- > [Estimate your Loan Repayments](#)
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Interest Rates

← *Calculated Daily!*

The Maryland Mortgage Program offers home loans at competitive interest rates to eligible homebuyers. These interest rates are updated continuously (sometimes more than once a day), but you can lock in the current rate by applying for an MMP loan with one of our Participating Lenders.

Talk to your Lender about which home loan is right for you.

DHCD-Owned Foreclosure Program

The Maryland Department of Housing and Community Development has [state-owned homes for sale](#) through two contracted realty firms (ROC Realty and Long & Foster). Certain conditions may apply to borrowers interested in purchasing these properties.

Description	Interest Rate	Points	APR
DHCD-Owned Foreclosures Government	2.000%	0-point Mortgage	3.478%

Maryland Mortgage Programs

Description	Interest Rate	Points	APR
MMP Government	4.500%	0-point Mortgage	6.000%
MMP 95% or 1 TV Conventional	4.875%	0-point Mortgage	5.400%

and secure loan from Maryland's Housing Finance Agency, and has several important features:

Getting started!



**DOWN PAYMENT &
CLOSING COST ASSISTANCE**

Interest-free, deferred loans
UP TO \$8500
from the state, and
additional assistance
from Partner Organizations

To help you get into
your home faster,
and start building equity now.

LEARN MORE



**30 YEAR
FIXED RATE**

Interest rates that are
competitive with
commercial lenders, and
OFTEN LOWER

So you know your repayments,
today and tomorrow,
and for the life of your loan.

CHECK RATES



**HOMEBUYER
EDUCATION**

FREE/LOW-COST
Homebuyer courses to help you
understand what it takes to
purchase a home

Giving you the confidence
and knowledge you need
to make the right decisions.

FIND A COURSE

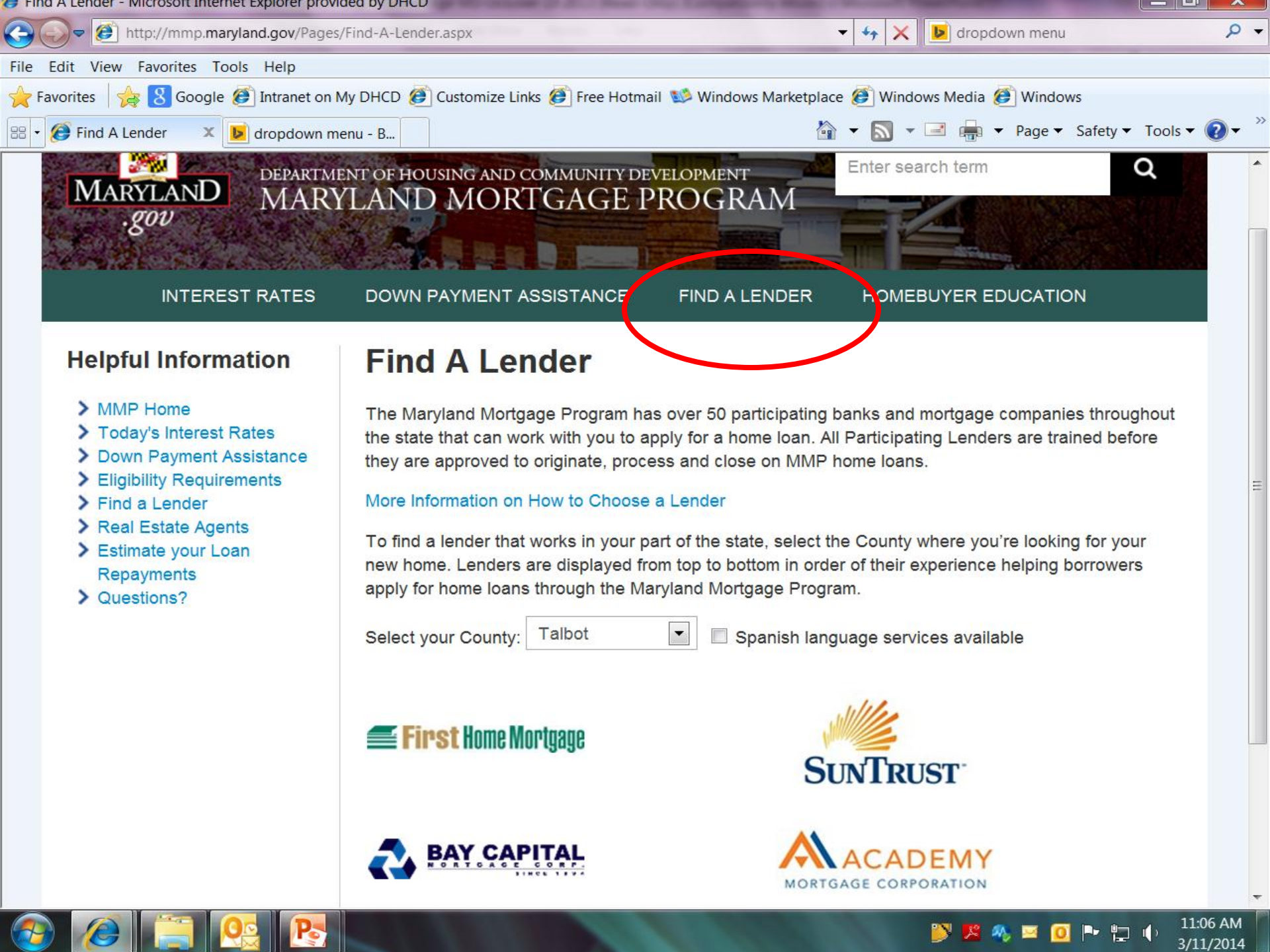
Getting started is easy - you don't even need to be actively searching for your new home to take the first steps towards homeownership:

- Start with [Homebuyer Education](#) – learn about buying a home in Maryland
- [Check to see if you're eligible](#) – Income limits and other conditions apply
- [Find a lender](#) to start your loan application



Lenders

- MMP loans can only be obtained from approved MMP lenders.
- Currently there are 60 MMP lenders.
Not all MMP lenders offer the full range of products—we are working on posting that to our website soon!



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Find A Lender

The Maryland Mortgage Program has over 50 participating banks and mortgage companies throughout the state that can work with you to apply for a home loan. All Participating Lenders are trained before they are approved to originate, process and close on MMP home loans.

[More Information on How to Choose a Lender](#)

To find a lender that works in your part of the state, select the County where you're looking for your new home. Lenders are displayed from top to bottom in order of their experience helping borrowers apply for home loans through the Maryland Mortgage Program.

Select your County: ☐ Spanish language services available



MMP Requirements

Homebuyer Education

- Required for all borrowers
- A counseling certificate is required from the homebuyer education class provider. Certificate must be less than 12 months old at closing.
- If utilizing DSELP or matching funds, there are specific requirements for Baltimore City, Anne Arundel, Baltimore and Harford Counties.
There are no special requirements for counties on the Eastern Shore!
- Refer to <http://mmp.maryland.gov/Pages/Homebuyer-Education.aspx> for additional information on requirements.

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Enter search term

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Quick Links

- [Homebuyer Education Home](#)
- [Homebuyer Education Classes](#)
- [Down Payment Assistance and Partner Match](#)

Homebuyer Education

"An investment in knowledge pays the best interest."
– Benjamin Franklin

There are a lot of things that you can do to get ready for purchasing a home, but the one that will make the biggest difference to your long-term happiness and satisfaction is educating yourself. The Maryland Mortgage Program provides borrowers with an opportunity to complete a class designed to prepare you for the process of purchasing a home in Maryland.

You'll learn about budgeting for homeownership, and the key differences in your monthly finances between renting and owning. You'll get to know how to prepare for a mortgage application, and how to navigate the process of making an offer on a home you've found. You'll learn about Down Payment Assistance programs provided by the state, local governments and many other partner organizations, and how these programs

Why is Homebuyer Education so Important?

Completing a Homebuyer Education class puts YOU in control of your home buying experience.


Purchasing a home is one of the biggest financial decisions you may ever make, and even small mistakes and missteps can cost you a lot – a lot of time, a lot of stress, and a lot of money!

When you complete one of our approved classes, you'll know what to expect, what questions to ask, and how to avoid the common pitfalls of home buying.

in addition to becoming a better educated homebuyer, completing an



Choose
the
county
from the
drop
down
menu



Class Providers

Homebuyer Education classes are available throughout Maryland, and are provided by a range of Community and Non-Profit organizations as well as local government housing agencies. Some providers charge a nominal fee for attending classes – call the class provider for details.

To find a class, choose the county closest to your preferred class location (see note about above requirements for purchasing in certain counties), and class providers in in that part of the state will be listed.

 [List of all Homebuyer Education Class Providers](#)

Select your County:

Cecil County Housing Agency

200 Chesapeake Blvd.
Suite 1800
Elkton, MD 21921
410-996-8216

HUD Approved

Shore Up! Inc.

PO Box 430
Salisbury, MD 21801
410-749-1142 X307

HUD Approved

Delmarva Community Services, Inc.

435 High Street
Cambridge, Md 21613
410-901-2996 X14

Talbot County Dept. of Housing



Income & Purchase Price Limits

INCOME: Projected income for ALL household members age 18 or older (including overtime, part-time, commissions, etc.) is utilized to determine income—total household income may not exceed the established limit.

PURCHASE PRICE: Purchase price limits vary from county to county

LIMITS:

<http://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx>



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Detailed Income Eligibility

If your household income falls between the limits of potential eligibility, use the method outlined below to determine locations where your income level will allow you to use an MMP loan to purchase property.

Step 1

Check if the County that you're considering is a Full, Partial or Non-Target Area County, and find the relevant Income Table number.

Full Counties	Partial Counties	Non-Targeted Counties
All Properties in these Counties are in Targeted Areas	Some properties in these Counties are in Targeted Areas	No properties in these Counties are in Targeted Areas
Allegany County	Anne Arundel County	Calvert County
	Baltimore County	Carroll County
Caroline County	Frederick County	Cecil County
Dorchester County	Harford County	Charles County
Garrett County	Prince George's County	Howard County
Kent County	Washington County	Montgomery County
Somerset County	Wicomico County	Queen Anne's County
	Worcester County	St. Mary's County
		Talbot County
Refer to Incomes Table 1	Refer to Incomes Table 2	Refer to Incomes Table 3

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Mortgage Payment Estimator

Paying Your Loan

Use our *Mortgage Payment Estimator* to estimate the monthly principal + interest (the "mortgage payments") on a home loan. Just enter the estimated purchase price of the home, the amount of down payment you're able to provide (from your own financial resources as well as [MMP's Down Payment Assistance and Partner Match Programs](#)), and the mortgage's interest rate (see [Interest Rates](#) for today's rates).

Of course, when you get a home loan to purchase a property, you need to consider more than just the basic mortgage repayments. Homeowners typically have several additional costs associated with homeownership that could add another 30% to 40% to the estimated monthly mortgage payments.

These may include:

- Mortgage Insurance;
- Property Taxes;
- Home / Hazard Insurance; and
- Home Owners Association (HOA) Fees.

Keep reading after the calculator to learn more about these homeownership costs.

MMP Products



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Re-launch of

MD Homefront:

The Veterans and Military Family Mortgage Program

Now through 5/30/14

- 30-year loan with a fixed rate of 3.5%
- \$5,000 in Down Payment Assistance (DPA)
- Can be used with FHA, VA, Conv or RHS loans
- *Don't Forget:* Qualified veterans can receive a waiver for the first-time homebuyer requirement.

MMP Products (continued)

Brand New!

MD Homefront: The Disabled Veterans Mortgage Program

Now through 5/30/14

- 30-year loan with a fixed rate of **3.0%**
- \$5,000 in Down Payment Assistance (DPA)
- For veterans who sustained a 30% service-related disability
- Can be used with FHA, VA, Conv or RHS loans

DHCD-Owned Foreclosures

- DHCD has real estate owned (REO) inventory throughout the State of Maryland
- Properties are listed and sold through Cunningham and Company LLC and Long & Foster and will carry a notation on the MLS listing
- Borrowers purchasing homes owned by DHCD and utilizing the MMP are eligible for reduced interest rates. Currently that is 2% (APR 3.489%).

www.mdhousing.org/website/programs/Reo/Default.aspx

MMP Products (continued)

Conventional Mortgage Loans

- With Private Mortgage Insurance:
 - Loans must be underwritten to current Fannie Mae HFA Preferred underwriting guidelines
 - Insurer must be on the MMP Participating Private Mortgage Insurance Companies List
- Uninsured:
 - For purchases where the loan-to-value (LTV) ratio is 80% or less.
 - Maximum combined LTV is 105%.



Why Choose Conventional?

- Conventional loans have lower MI
- FHA requires upfront MIP along with monthly
- FHA MI is for the life of the loan; conventional stops at 80%
- FHA requires a 3.5% minimum down payment; conventional only requires 3.0%

Mortgage Insurance Comparisons

	Maryland Mortgage Program \$175,000 Mortgage		Regular Conventional Product \$175,000		Savings
LTV	Coverage (680 cs)	Cost	Coverage (680 cs)	Cost	
97%	18% 2.85%	\$ 4,987.50	35% 4.07%	\$ 7,122.50	\$ 2,135
95%	16% 2.66%	\$ 4,655.00	30% 3.48%	\$ 6,090.00	\$ 1,435
90%	12% 1.63%	\$ 2,852.50	25% 2.29%	\$4,007.50	\$ 1,155



Down Payment Assistance (DPA)

*Programs to help with down payment
and closing costs!*

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Quick Links

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- [Partner Directory](#)

Down Payment Assistance and Partner Match Programs



Coming up with the money for a down payment and other upfront costs is often the largest hurdle facing first-time homebuyers. Even with certain mortgages that require low down payments, these expenses will still usually total **several thousand dollars**.

The Maryland Mortgage Program provides help in the form of Down Payment Assistance, as well as a range of Partner Match programs from employers, developers and community organizations that can help you cover these

down payment and closing costs. These programs may make it possible for first-time homebuyers to afford a mortgage when they would not be able to do so the conventional way.

How Down Payment Assistance & Partner Match Programs Help You

Down Payment Assistance and Partner Match Programs may be used for things like down payment, closing costs, prepaid/escrow expenses and a home inspection performed by a qualified home inspector, and may be available in the form of zero-interest deferred loans, forgivable loans, or outright cash grants:

- Zero-interest deferred loans are due upon sale or transfer of the property or if the first mortgage is refinanced or paid in full, and do not accrue interest over time (if you borrow \$5,000 now to help with your down payment, you would repay \$5,000 when due – perhaps as far away as 30 years if that is how long you are making payments on the primary mortgage);

DPA

All down payment and closing cost assistance is now called DPA.



More Acronyms

We refer to the program as Maryland Mortgage Program or MMP.





Check out the website...

mmp.maryland.gov

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